

FISCAL NOTE

SB 1814 - HB 1861

March 11, 1997

SUMMARY OF BILL: Reduces the income tax rate on capital gains dividends (part of the Hall Income Tax) from 6% to 3%. Such tax collections are apportioned 5/8 to the General Fund and 3/8 to local governments by situs.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$24,000 One Time
\$2,500 Recurring**

**Decrease State Revenues - \$2,000,000 in the First Full Year
Decrease Local Govt. Revenues - \$1,200,000 in the First Full Year**

Assumes an increase in one time state expenditures of \$24,000 and an increase in recurring state expenditures of \$2,500 for computer systems changes in the Department of Revenue.

Also assumes that approximately 5.25% of estimated FY97-98 Hall Income Tax collections of \$121,700,000 would be from capital gains dividends.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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